

# ANNUAL REPORT REGARDING THE 2003 ACTIVITIES OF THE NORTHWEST ATLANTIC FISHERIES ORGANIZATION (NAFO)

## **I. Legislative Requirements:**

Section 212 of the Northwest Atlantic Fisheries Convention Act of 1995 (16 U.S.C. 5601 et seq.) requires that the Secretary of Commerce prepare an annual report for the Congress on the activities of the NAFO Fisheries Commission, the General Council, the Scientific Council, and the Consultative Committee established under Section 208 of the Act. The functions assigned to the Secretary of Commerce under the Northwest Atlantic Fisheries Convention Act of 1995 (16 U.S.C. 5601 et seq.) have been delegated to the Under Secretary for Oceans and Atmosphere and Administrator of the National Oceanic and Atmospheric Administration.

Section 213(a) of the Northwest Atlantic Fisheries Convention Act of 1995 (16 U.S.C. 5601 et seq.) requires that the Secretary of Commerce, acting through the Secretary of State, shall promptly seek to establish a new practice for allocating quotas under the Convention that—

- (1) is predictable and transparent;
- (2) provides fishing opportunities for all members of the Organization; and
- (3) is consistent with the Straddling Stocks Agreement.

Section 213(b) of the Northwest Atlantic Fisheries Convention Act of 1995 (16 U.S.C. 5601 et seq.) requires that the Secretary of Commerce include in annual reports under Section 212—

- (1) a description of the results of negotiations held pursuant to subsection (a);
- (2) an identification of barriers to achieving such an allocation practice; and
- (3) recommendations for any further legislation that is necessary to achieve such a new practice.

## **II. Report of the 2003 Activities of NAFO Bodies:**

The majority of the 2003 activities of NAFO bodies are summarized in the Reports of the General Council and Fisheries Commission from the 25<sup>th</sup> NAFO Annual Meeting, held in Dartmouth, Nova Scotia, Canada, during September 15-19, 2003. The reports from this meeting are attached as **APPENDIX 1**. The report of 2003 activities of the NAFO Scientific Council can be found on the internet at [www.nafo.ca/activities/Frames/AcFrSci.html](http://www.nafo.ca/activities/Frames/AcFrSci.html). The U.S. views on this meeting can be found in the Reporting Cable submitted by the U.S. delegation to the meeting, attached as **APPENDIX 2**.

The following NAFO meetings were held during 2003:

- 1) Working Group on the Allocation of Fishing Rights to the Contracting Parties of NAFO  
Miami, Florida, USA, March 2003;
- 2) Scientific Council Workshop on the Precautionary Approach to Fisheries Management  
St. John's, Newfoundland, Canada, March-April 2003;
- 3) Regular Scientific Council Meeting  
Dartmouth, Nova Scotia, Canada, June 2003;
- 4) Standing Committee on International Control (STACTIC) Meeting  
Copenhagen, Denmark, June 2003;
- 5) 25<sup>th</sup> NAFO Annual Meeting  
Dartmouth, Nova Scotia, Canada, September 2003;
- 8) Scientific Council Annual Meeting  
Dartmouth, Nova Scotia, Canada, September 2003;
- 9) Scientific Council Assessment Meeting (Northern Shrimp)  
Dartmouth, Nova Scotia, Canada, November 2003.

Reports of all NAFO meetings are available from the National Marine Fisheries Service (NMFS) Office of Sustainable Fisheries, International Fisheries Division (301-713-2276). In addition, many NAFO reports are available electronically from the NAFO website <www.nafo.ca>.

### **III. Report of the 2003 activities of the NAFO Consultative Committee:**

The NCC met via videoconference on February 14, 2003, to review the results of the previous NAFO Annual Meeting, discuss information relating to upcoming NAFO activities, and share other relevant information. Much of this meeting focused on preparations for the March 26-27, 2003 meeting of the Working Group on the Allocation of Fishing Rights to the Contracting Parties of NAFO.

The NCC met again via teleconference on September 2, 2003, to discuss issues of relevance to the United States in preparation for the September 2003 NAFO Annual Meeting. Discussions at this meeting focused primarily on finalizing U.S. proposals for a NAFO quota allocation of yellowtail flounder and implementation of the precautionary approach. The reports of the 2003 NCC meetings are attached as **APPENDIX 3**.

In addition to the normally scheduled meetings of the NAFO Consultative Committee (NCC), consultations were held with NAFO Commissioners to provide briefings and elicit input in advance of regularly scheduled NCC meetings.

### **IV. Report of issues relating to the NAFO Quota Allocation Practice:**

(1) Negotiations relating to the NAFO quota allocation process during 2003:

*A. The NAFO Allocation Working Group:* In September 2002, the NAFO Fisheries Commission agreed that the NAFO Working Group on the Allocation of Fishing Rights to the Contracting Parties of NAFO should continue its work during the 2003 intersessional period. The Fisheries Commission also agreed to terms of reference for this meeting.

At the March 26-27, 2003, meeting of the Working Group, the United States continued to press for a predictable, transparent process that recognizes the conservation and management contributions of coastal states to straddling fish stocks, historical fishing patterns, is fair and equitable, provides fishing opportunities to all members, in principle, and enhances the conservation and management of NAFO-managed stocks. In the

interests of taking steps in this direction, the United States tabled a white paper for discussion at the Working Group meeting that proposed development and adoption of allocation criteria similar to those already adopted by the International Commission for the Conservation of Atlantic Tunas (ICCAT). The white paper further attached a list of potential criteria based on the ICCAT list.

Unfortunately, the Allocation Working Group did not follow the U.S. proposal, instead developing a list of allocation criteria applicable only to stocks that are not now and never have been allocated by NAFO. Thus, while the criteria are quite good, their present scope is very limited. Furthermore, the Working Group agreed only to give a status report back to the Fisheries Commission, indicating the work that was done, but neither recommended adoption of that work nor any next steps that should be taken. The United States made a strong statement that the progress that had been made was very small, not particularly useful in practical terms, and that NAFO would suffer in the longer term if it continued to fail to address the allocation interests of all of its members.

*B. Yellowtail Flounder:* Over the past 20 years, NAFO Division 3LNO yellowtail flounder has been allocated exclusively to two Contracting Parties (Canada and the European Union), with a very small amount allocated to the “others” category (available to member countries that do not have a specific national allocation). Canada gets by far the lion’s share of the allocations.

At the 2002 annual meeting, the NAFO Scientific Council recommended that the total catches of Div. 3LNO yellowtail flounder should not exceed 14,500mt in 2003 and 2004. The Fisheries Commission accepted this recommendation and set the 2003 TAC for Div. 3LNO yellowtail flounder at 14,500 mt, a 1,500 mt increase from the 13,000 mt TAC in effect for this stock in both 2001 and 2002. In response, the United States tabled a strong proposal for a (first time) national allocation of this stock. This proposal was based on: the relative good health of the stock; a demonstrated U.S. history of fishing for this stock in the NAFO Regulatory Area; and on the principle that the agreed increase in TAC for this stock should be shared among all those with a history in the fishery. Although the TAC increase was adopted, the U.S. proposal for a share received no support. This episode appeared to indicate that the United States was unlikely to see additional allocations from NAFO in the future.

At the end of the 2002 NAFO Annual Meeting and during bilateral meetings during the 2003 intersessional period, the United States expressed deep disappointment with the NAFO decision on yellowtail flounder and noted its intention to review the level of its commitments to the Organization to determine whether they were consistent with overall U.S. interests. As the September 2003 NAFO Annual Meeting approached, this message was stressed to Canada in particular. Canada values the United States as a supportive partner in NAFO forums.

Side-bar discussions with Canadian industry and government representatives during the 2003 NAFO Annual Meeting indicated that a transfer of yellowtail flounder from Canada to the United States could be considered. In follow up communication with Canada, it was agreed that a meeting would take place in early 2004 to discuss a bilateral arrangement through which U.S. vessels might have access to an undetermined amount of yellowtail flounder allocated to Canada.

(2) Identification of barriers to achieving a new quota allocation practice in NAFO:

The barriers to achieving a new quota allocation practice are discussed in the 2003 Report of the Working Group on Allocation of Fishing Rights to Contracting Parties (see **APPENDIX 4**). Because the Working Group did not recommend adoption of its work at the March 2003 meeting or any further action by the Fisheries Commission at the 2003 Annual Meeting, these issues remain unresolved.

(3) Recommendations for any further legislation that is necessary to achieve such a new practice:

No recommendations at this time.